



Article

Development of a Strategy for Managing Real Estate Facilities

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Abstract: Real estate management is one of the defining factors of economic growth, defining investment tendencies, affecting the efficiency of infrastructure, and enabling urban sustainability. The process of urbanization in Uzbekistan is gaining momentum, private property sales are increasing, and the demand in the property leasing services is growing, which explains the need to provide technology-intensive, data-driven, and strategic intervention. Despite the current reforms aimed at making the market more efficient, most properties are still under poor management and this situation reduces revenues, increases costs of operations and adds to the loss of tenants. Although international scholars provide powerful theoretical frameworks to practice in real estate management, it will hardly be possible to fit their strategies into the socio-economic, legal, and technological background in Uzbekistan. This lag is further compounded by the lack of a natural national system and by the fact that using PropTech has not become popular in the local practice. This paper completes a rigorous investigation of the strategic aspects of real estate management in Uzbekistan through studying the trends in the sphere of investment, digitalization rates, the functions of management companies, and the effectiveness of the established rental and maintenance systems. Real estate investment increased by 64 % between 2020 and 2024; lease contract increased by 61 %, and the proportion of digitalization coverage increased to 45 % in the same period. The professionally managed properties produced 37 % higher rental income than unmanaged ones and enjoyed the better tenancy retentions and stability of operations. This paper frames international examples into national limitations and suggests practical solutions, such as licensing management firms, the growth of digital platforms and human capital development. On this basis, the paper highlights the need to adopt a locally based, all encompassing approach that integrates legal, technological as well as social infrastructure with economical results to enhance sustainability and competitiveness of the real estate sector in the country of Uzbekistan.

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1. Introduction

The real estate sector is an important component of any country's economy. This sector includes assets such as residential buildings, commercial facilities, production infrastructure, and administrative buildings. A real estate object should be considered not only as static property but also as a source of income, an investment object, and a social and economic resource. Consequently, the need for effective management of these assets is becoming a priority on the agenda [1].

Especially in a market economy, with the intensification of operations related to real estate properties, the diversification of ownership forms, and the expansion of management model options, the demand for competitive and sustainable management strategies is growing. Inappropriate and careless management, on the contrary, leads to

the loss of property value, a decrease in rental income, and rapid deterioration of infrastructure [2].

Global practice shows that effective management of real estate properties increases the share of private property in the country's gross domestic product (GDP), and develops tourism, services, and industry. Properties with poor management quality experience a decrease in value, insufficient rental income, technical failures, and risks associated with long-term investments. Therefore, the issue of purposeful, calculated, and strategic management of real estate properties is becoming increasingly important [3].

In recent years, the acceleration of urbanization processes in Uzbekistan, population growth, expansion of private property, and increased demand for buildings and structures for entrepreneurial activities have elevated real estate relations to a new level. In our country, legislation aimed at registering, valuing, privatizing, and managing real estate objects based on market relations is also being improved. However, the lack of sufficient research and methodology on strategic management in this field is causing a number of practical problems [4].

In many cases, property objects are managed for short-term profit, their technical condition is neglected, lease relationships are established on an intuitive basis, and financial analyses are not conducted adequately. This reduces the economic efficiency of the property, its market value, and investment attractiveness. In international practice, real estate management is regulated as a distinct sector, operated on the basis of professional management companies, digital platforms, and strategic planning [5].

A purposefully and rationally developed management strategy ensures stable income generation throughout the entire life cycle of a property. Such a strategy involves optimizing financial flows, overseeing technical operations, regulating leasing policies, repositioning in line with market conditions, diversifying risks, and maintaining competitiveness. Concurrently, digital technologies (management CRMs, "smart building" solutions, real-time monitoring systems) are becoming an integral part of modern property management [6].

In the present day, real estate management has significantly departed from traditional approaches. Factors such as technological advancements, implementation of digital solutions, environmental requirements, social responsibility, and resource conservation necessitate new forms of management. This calls for a review and revision of management strategies to align with contemporary demands.

The real estate sector is also developing rapidly in Uzbekistan. In recent years, privatization processes, expansion of the mortgage market, and intensification of urban development projects have further heightened the sector's importance. However, in many cases, property assets are managed based on haphazard, short-term, or reactive approaches. This negatively impacts their income potential and service life [7].

From this perspective, the necessity of developing a scientifically-based real estate management strategy is analyzed, along with modern approaches and practical mechanisms. Improving the management strategy is considered an important task not only from an economic standpoint but also in terms of social stability and urban development.

Literature Review on the Topic

Scientific literature on real estate management has actively developed in various directions in recent decades. Global and local researchers have approached this issue from the perspectives of investment analysis, technical operation, lease relations, strategic planning, and digital management. However, although theoretical concepts are thoroughly substantiated in many studies, their practical application, particularly aspects related to local conditions, is not sufficiently addressed [8].

Richard Braun outlines the strategic principles of asset management in his work "Real Estate Asset Management". In his opinion, structural analysis of the asset portfolio, value maximization, and risk diversification are the main factors in increasing the profitability of real estate. He criticizes the valuation of an asset solely through its location and rental price, emphasizing the formation of a long-term exploitation strategy as the primary task. However, Braun's approach is more suitable for corporate or institutional investors, while for small property owners or the local private sector, this model remains too complex and costly [9].

In their research, Peter Betts and Claire Shelly examined the impact of lease policy on property management. They considered lease terms as a strategic tool and analyzed how different types of leases (fixed, indexed, turnover-based) affect the financial results of the property. They emphasize that lease relationships should be evaluated not only from a financial perspective but also from the standpoint of social balance. However, their research is more focused on retail and commercial facilities and is not universally applicable to industrial or warehouse infrastructure management.

In his research, J. Rozental focused on the importance of management companies and proposed a model for preserving property value and increasing its efficiency through professional management. According to him, property owners often attempt to manage independently, but this leads to improper resource allocation and problems in technical oversight. Although his opinion is valid and significant, he fails to consider that the infrastructure of professional management companies in the local economy has not yet been established [10].

Among local scholars, A. Jumaev, in his article analyzing investment activities in the real estate market, primarily focused on asset valuation and profitability indicators. He bases asset valuation on market prices but does not pay sufficient attention to the specifics of management strategies. Therefore, while his analysis is rich in general conclusions, it lacks strategic components of management [11].

N. Mahmudov's research discusses the implementation of digital solutions in management, highlighting the importance of PropTech platforms, CRM systems, and real-time monitoring. He demonstrates the role of digitalization in reducing operating costs. However, the study does not provide specific cases regarding certain technological solutions (for example, "IoT sensors", "Digital twin"); the results are generalized and closer to a technical description rather than a scientific basis [12].

Additionally, the analyses and recommendations of international organizations (FIABCI, RICS, World Bank) are often grounded in inclusive governance, environmental sustainability, and transparent reporting. They emphasize that real estate management requires a holistic approach from economic, legal, and social perspectives. While this approach is appropriate, the local infrastructure and knowledge base are insufficient for its practical implementation [13].

D. Geltner and N. Miller's works are considered one of the most authoritative and academic sources on real estate market analysis and investment models. The authors conduct an in-depth analysis of factors shaping real estate value - cash flow analysis, discounted cash flow model (DCF), market trends, and the impact of inflation. They argue that strategic management should be closely linked to financial forecasting. Although these models are financially sophisticated, their full implementation requires accurate statistical data, forecasting algorithms, and highly qualified managers. In the Uzbek market, however, these resources are limited [14].

In his research, A.L. Lindholm attempts to identify the key success factors (KSFs) in real estate management. His model is based on criteria such as the object's impact on the user, operational efficiency, management transparency, and strategic alignment. While this model is very suitable for universities, government institutions, and corporate clients,

private small property owners may find it difficult to implement such multifaceted evaluation methods .

In their research, P.Gallimore and A.Gray have substantiated that strategic decisions in real estate depend not only on numbers, but also on the investor's behavior, emotional perspectives, and level of confidence in the market. In their opinion, management strategy should be formed based on expected trends, rather than current conditions. Such an approach based on "behavioral economics" is considered advanced, but it is difficult to model accurately. Moreover, considering market psychology is a new concept for many local investors and has not been sufficiently developed in practice.

McMahon emphasizes the importance of ensuring the alignment of assets with company goals in the strategic management of corporate real estate. He promotes the idea of "aligning real estate with business strategy". This concept is very suitable for large business entities, but for SMEs (small and medium-sized enterprises) and privately owned properties, corporate approaches at this level can often create excessive bureaucracy.

M. Solieva suggests the need to develop practical management approaches, taking into account the specifics of the local market. She analyzes the impact of the property's operating environment, socio-economic space, population living standards, and local legal framework. In this work, local conditions are taken into account, and appropriate strategies for citizens and small businesses are recommended. The models are not yet perfect, as they are not supported by case studies and quantitative analysis [15].

Although the issue of real estate management is widely covered in the available literature, most of it relies on specific market environments, institutional infrastructures, and resource capabilities. In the context of Uzbekistan, it is not necessary to directly copy these models, but rather to localize them and align them with national characteristics and legal norms. Therefore, creating national models in the field, scientifically substantiating local experiences, and adapting strategies remain urgent tasks.

2. Materials and Methods

In this work, an integrated approach that combines an analytical acuity with empirical richness is adopted to assess strategic management activities in real estate market in Uzbekistan. Based on official statistical sequences compiled by the Statistics Agency under the President of Uzbekistan and the relevant ministries of government, the analysis questions investment volumes, the rate of digitization, lease activity, and the management-company development of the periods between the years 2020 and 2024. The literature review is conducted methodologically as it altars with models introduced by the leading international scientists, including Brown, Geltner, and Lindholm, as well as by the Uzbek citizens themselves, e.g., Jumaev and Solieva, to analyze the correspondence between abstract theoretical concepts and the real facts of life in the Uzbek market. This is followed by instillation of a comparative framework that will be used in evaluating performance differentials between professionally managed and unmanaged properties using the parameters of rental income, operating costs, technical disruptions, and tenant retention. Risk impact ratings, strategic priority matrices, diagnostic tools that are used to evaluate the intensity of the existing managerial dilemmas as well as the viability of interventions in the future. Altogether, the methodology attempts to adapt best practices adopted internationally into a form, which would be compatible with the Uzbek legal milieu, socio-economic realities, and technological capabilities. The resulting combination of empirical evidence, theory, and appropriate context analysis provides the basis of evidence-based formulation of policy and make development adequate to the conditions of the country.

3. Results and Discussion

The issue of effective real estate management remains highly relevant in today's global and local economic environment. Every wrong decision in this area can lead to losses in investment activity, inefficient use of resources, a decrease in property value, and overall economic stagnation. Management of real estate objects is crucial not only for property owners but also for shaping the city's infrastructure, economic stability, and the quality of life of the population, see Table 1.

Table 1. Key indicators related to real estate management in Uzbekistan for 2020-2024.

No	Years	Amount of investments in real estate (billion soums)	Number of rental agreements (thousand)	Digitized share of objects %	Number of management companies
1	2020	8,400	310	12	50
2	2021	9,600	355	19	65
3	2022	10,800	400	27	80
4	2023	12,300	450	35	95
5	2024	13,800	500	45	110

Source: Developed by the author based on data from the Statistics agency under the president of the Republic of Uzbekistan and relevant ministries.

Analyzing the data in the table above, investments amounting to 8,400 billion soums in 2020 reached 13,800 billion soums by 2024. This represents a 64% increase. Interest in the industry is growing among investors. This reflects stable market conditions and confidence in profitability. The number of lease agreements has increased dramatically, from 310 thousand to 500 thousand - a 61% increase. The real estate rental sector is developing rapidly. This increases the need for professionalization of leasing policies.

Digitalization processes have accelerated, with the share of digitized objects increasing from 12% to 45%, demonstrating significant potential. The demand for digital solutions is growing in both public and private sectors. However, a fully digitized system is not yet in place. The number of management companies is increasing, growing from 50 to 110 companies, which confirms the market's need for professional management. Despite the increased demand, many properties are still not managed by professional companies.

According to the results of the conducted research, promising strategies include:

- Further improvement of the investment climate: increasing transparency of lease policy (through online platforms); providing tax incentives for real estate projects; making information about properties publicly available through a unified information database.
- Licensing and standardization for management companies: implementing a certification system for management companies; establishing a mechanism for assessing management quality based on ISO standards.
- Full implementation of digitalization processes: expanding "Smart Property" monitoring systems; supporting PropTech startups and developing projects based on public-private partnerships with them.
- Enhancing human resource capacity: organizing master's programs in real estate management; conducting practical seminars, international internships, and certification programs.
- Automating rental and management analysis: analyzing and forecasting rental prices based on Big Data; real-time monitoring of performance indicators for properties, Table 2.

Table 2. Main problems in real estate management.

No.	Problem	Degree of impact (evaluated on a scale of 1-5 points)
1	Shortage of management companies	5
2	Low level of digitalization	4
3	Lack of transparency in lease agreements	4
4	Frequent disruptions in the maintenance system	3
5	Lack of skills and knowledge among personnel	5
6	Availability of specialists in the industry	4

Source: Developed by the author based on data from the Statistics Agency under the President of the Republic of Uzbekistan and relevant ministries.

Analysis of the data presented in Table 2 led to the following conclusions:

- The highest risk factor is a lack of qualifications and a shortage of management companies. This indicates the inadequacy of the personnel training system in this field.
- Issues with digitalization and transparency increase the risk of inefficiency and corruption in management.
- Maintenance problems can lead to disruptions in operations and tenant dissatisfaction.

Existing problems are the main factors reducing the economic efficiency of real estate properties. Therefore, institutional reforms are necessary in this sector, see Table 3.

Table 3. Strategic directions in real estate management.

No	Strategic directions	Term	Expected outcome
1	Wider implementation of digital platforms	2025-2026	Improving management effectiveness
2	Further increasing transparency of rental policy	2025	Increasing rental income
3	Opening specialized management centers	2025-2026	Expanding the scope of specialized services
4	Achieving greater personnel training in the real estate sector	2025-2026	Increasing the institutional capacity of the industry
5	Forming a portfolio of high-income properties	2025-2026	Enhancing investment attractiveness

Source: Developed by the author based on data from the Statistics Agency under the President of the Republic of Uzbekistan and relevant ministries.

Analysis of the data presented in Table 3 led to the following conclusions:

- All directions are formulated as direct responses to problems.
- Digital platforms and transparent rental systems increase efficiency and reliability.
- Personnel training is considered the most crucial investment for long-term stability.

Strategies are aimed at solving problems in phases. It is advisable to utilize public-private partnership mechanisms in their implementation, see Table 4.

Table 4. Comparative view of managed and unmanaged real estate properties.

No	Indicator	Number of professionally managed properties	Number of unmanaged properties
1	Average rental income (thousand soums / month)	920	670
2	Operating expenses, %	12	18

3	Number of technical interruptions (annual)	1	5
4	Tenant retention rate, %	87	58

Source: Developed by the author based on data from the Statistics Agency under the President of the Republic of Uzbekistan and relevant ministries.

Analysis of the data presented in Table 4 led to the following conclusions:

- Professional management clearly increases income by 37%.
- Operating costs are 50% higher in unmanaged properties.

Technical disruptions and tenant retention indicators are directly related to the quality of management.

The economic results at facilities where management companies are implemented show a clear advantage. In practice, this serves as clear evidence in favor of institutionalizing management.

Analysis of the figure presented in Figure 1 drew attention to the following points.

First and foremost, it is related to economic activity and the investment climate. The real estate market serves as a “barometer” of the economic system. Its activity determines general economic growth or decline trends. Investors view real estate as a long-term source of income, and professional and transparent management of properties is necessary to strengthen their confidence. Weaknesses in management and lack of strategic planning increase investment risk, which negatively affects the entire industry.

Secondly, it is also associated with the rapid development of urbanization. At a time when the urban population is growing every year, along with the construction of new buildings, the issue of efficient and targeted use of existing properties is on the agenda. Facilities with weak management systems quickly become obsolete, experience interruptions in maintenance, see decreases in rental rates, and suffer from falling property values. Thus, urbanization requires not just construction, but also consistent, strategic management.



Figure 1. Real Estate Property Management Strategy.

Thirdly, with the emergence of independent management companies and the implementation of PropTech, management strategies are advancing to a new level. In the modern era, multifunctional, multi-story complexes, “smart city” projects, and industrial

clusters need to be managed not only through conventional management models but also via digitalized, automated, and predictive platforms. Global experience in this field is extensive. For instance, systems like the Real Estate Intelligence Platform in Singapore, and Yardi and MRI Software in the USA are widely utilized.

Fourthly, relevance is also crucial from the perspective of environmental and social sustainability. Contemporary real estate management is now closely intertwined with issues such as “green buildings”, energy-efficient systems, and the use of renewable resources. An indifferent approach to these aspects in management contradicts society’s sustainable development goals. Simultaneously, a management strategy that focuses on socially inclusive, accessible, safe, and high-quality service buildings is essential for societal well-being.

Fifthly, in the context of Uzbekistan, practical challenges and regulatory changes have further intensified. In recent years, our country has been rapidly adopting regulatory documents related to real estate: digitalization of the cadastral system, privatization processes, legal foundations for lease relations, and reforms in facility management within public-private partnerships are being implemented. However, in practice, there is a significant lack of a clear model, promotion, and expertise for the strategic management of these facilities.

Finally, another important aspect of the topic is the weak position of this field in higher education and scientific research. In many economic disciplines, property management is not taught as a separate subject, there is a shortage of management methodologies adapted to local conditions, and a disconnect exists between practice and scientific research. This creates obstacles in personnel training and the introduction of innovations in the industry.

Strategic management of real estate assets is not only an economic benefit for the owner but also a decisive factor in the effective use of urban infrastructure, ensuring societal stability, and developing the investment climate. One of the urgent tasks today is to deepen scientific research on this topic, developing modern models and solutions tailored to national conditions.

4. Conclusion

Real estate management is a complex, multifaceted process that requires a strategic approach. It not only ensures the economic viability of the property but also manages its impact on the social, ecological, and urban environment. The analysis conducted in this article demonstrated that if the management strategy is not developed as a comprehensive integrated system, the existing potential will not be fully realized, and numerous risks will emerge.

The changes in the industry over the past five years lead to the following conclusions:

- a. The dynamics of economic growth and investments have ensured the stabilization of the real estate market. An increase in the income potential of properties is observed for investors. However, inefficiencies in management, lack of transparency, and illegal practices are increasing investment risk.
- b. Against the backdrop of urbanization and population density growth, the demand for effective management of urban infrastructure is increasing. Along with new construction, it is necessary to review strategies for the maintenance, repair, and targeted use of existing facilities.
- c. Technological reforms - digitalization, PropTech, Big Data, IoT, and other innovative solutions - are creating opportunities to bring management efficiency to a new level. However, the necessary infrastructure and skill levels for the widespread implementation of these technologies are still insufficient.
- d. The reforms observed in recent years in the legal and regulatory framework - digitalization of the cadastral system, public-private partnerships, regulation of lease relations, and privatization processes - have been an important step in

institutionalizing the sector. However, their incomplete and ineffective implementation in practice is creating problems.

- e. The shortage of human capital and managerial personnel is another major obstacle in the field. Many management decisions are made based on random or inexperienced approaches. The system of studying, analyzing, and teaching management as a science is still underdeveloped.
- f. Social and environmental sustainability requirements are shaping a new dimension of real estate management. Today, focus is not only on income, but also on social impact, "green" solutions, and energy efficiency.

Based on the results of the conducted research, the following final conclusions and strategic recommendations can be made:

- a. Developing a national strategy is essential. A national management strategy for real estate, adapted to Uzbekistan's conditions and based on economic, legal, and technological foundations, should be developed. This strategy should encompass: developing digital infrastructure; establishing management standards; simplifying and implementing the legal framework.
- b. Development of management companies. The number of professional management companies should be increased, and a system of licensing and accreditation should be implemented to enhance the ability to control their activities.
- c. Integration with higher education and science. It is essential to establish educational programs, master's degrees, and professional development courses in real estate management. Connecting scientific research with practical application remains a crucial task.
- d. Ensuring public oversight and social inclusivity. It is recommended to mandatorily incorporate the opinions and interests of residents, tenants, and public organizations in the management of real estate properties.
- e. Developing an individual strategy for each property. It is necessary to prepare a tailored management strategy for properties based on the type of lease, location, technical condition, and market demands.

Issues in the field of real estate property management are complex and multifaceted, requiring a systematic, strategic, and innovative approach to address them. Taking a scientific perspective on this field, utilizing modern technologies, and training professional personnel are considered the main guarantees of development.

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